

COOPERATIVE AGRICULTURAL PROGRAM

*Exchange of notes at Asunción January 20 and March 3, 1947;
extension agreement signed at Asunción March 7, 1947, by
representatives of the Institute of Inter-American Affairs and the
Government of Paraguay*

Entered into force March 3, 1947

*Supplemented and extended by agreements of June 30, 1948;¹
July 22 and August 11, 1949;² September 18 and November 11,
1950;³ June 22, 1951;⁴ September 10 and October 24, 1951;⁵
and April 5, 1955⁶*

Expired June 30, 1960

63 Stat. 2894; Treaties and Other
International Acts Series 2118

EXCHANGE OF NOTES

The Minister of Foreign Relations and Worship to the American Ambassador

[TRANSLATION]

D.A.E. y C.

No. 24

ASUNCIÓN, January 20, 1947

MR. AMBASSADOR:

I take pleasure in addressing Your Excellency in order to provide you with the text of note S/No. 13 of January 16 from the Ministry of Agriculture, which reads as follows:

"Mr. Minister: For four years services have been rendered in Paraguay by STICA (Servicio Técnico Interamericano de Cooperación Agrícola), a special agency created under an agreement signed by the Government of Paraguay and the Institute of Inter-American Affairs of the United States⁷

¹ TIAS 2118; *post*, p. 973.

² TIAS 2118; *post*, p. 981.

³ 2 UST 561; TIAS 2205.

⁴ 3 UST 2917; TIAS 2469.

⁵ 3 UST 2912; TIAS 2468.

⁶ 6 UST 3055; TIAS 3354.

⁷ Not printed. The original agreement was signed at Asunción Dec. 24, 1942, by representatives of the Institute of Inter-American Affairs and the Government of Paraguay and extended by exchanges of letters at Asunción Feb. 17 and 18, 1944, and Feb. 25 and 27, 1946.

(which institution is already widely known for its cooperative efforts within the spirit of the Good Neighbor Policy). The agreement which created STICA vests in it powers to collaborate with this Ministry in increasing agricultural and livestock production and improving the living standards of the farm population, thereby furthering the intensification of commercial and cultural exchange between the two countries. The results of the work of STICA are just beginning to be felt in the national economy, for it is well known that all progress in agricultural and livestock matters is by nature slow. Hence it is the opinion of this Ministry that the work of STICA should be continued without interruption for several more years, in order that the investments and efforts made by the two Governments may be crowned with fully justified success. In view of the circumstances briefly set forth above, I request that Your Excellency be good enough to communicate to His Excellency Willard Beaulac, Ambassador of the United States of America, our Government's wish to extend STICA's cooperative work for five more years (from the expiration of the present contract on December 31, 1947). Should it not be possible for the time being to extend STICA for five years, it is our Government's desire to subscribe to an extension until June 30, 1948, at the same time increasing the present budget, which is not sufficient to insure the success of the projects undertaken. To this end the Government of Paraguay is prepared to sign a new contract with the Institute of Inter-American Affairs, which would be in force until June 30, 1948, Paraguay contributing ONE HUNDRED THOUSAND DOLLARS and the United States, FIFTY THOUSAND DOLLARS, the quotas and dates of payment thereof to be established by mutual agreement. It is suggested that the new agreement be signed before March 15, 1947, so that the work undertaken may not be interrupted. I avail myself of this opportunity to express to you, Mr. Minister, my highest consideration. SIGNED: GUILLERMO ENCISO VELLOSO. Minister."

In communicating to Your Excellency my Government's wishes as expressed in the communication transcribed above, I do so with the assurance that Your Excellency will interpose your good offices with your Government in accordance with the terms of the said communication.

I avail myself of this opportunity to renew to you, Mr. Ambassador, the assurances of my most distinguished consideration.

FEDERICO CHAVES

His Excellency

WILLARD L. BEAULAC,

*Ambassador Extraordinary and Plenipotentiary
of the United States of America,
City.*

*The American Chargé d'Affaires ad interim to the Minister
of Foreign Relations and Worship*

No. 397

ASUNCIÓN, March 3, 1947

EXCELLENCY:

I have the honor to acknowledge the receipt of your Excellency's note no. 24 of January 20, 1947 transcribing the text of a communication (S. N. 13) dated January 16, 1947 addressed to Your Excellency by the Minister of Agriculture, with regard to the extension of the contract with STICA, or Servicio Técnico Interamericano de Cooperación Agrícola.

My Government, apprised of the desire of Your Excellency's Government to continue this useful program through an extension of the present contract, has instructed me to agree to such an extension, from December 31, 1947 to June 30, 1948, with financial contributions in the new contract to be in the amount of 100,000 dollars for [from] Your Excellency's Government and 50,000 dollars from the Institute of Inter-American Affairs. The Institute will also make a separate allocation of funds necessary to pay the salaries, living expenses, travel and transportation costs, and other administrative expenses of the members of the Institute Field Party in Paraguay and other Institute employees incurred after execution of the new agreement. The estimated sum of approximately 85,000 dollars will be allocated for these purposes separately and apart from the funds to be deposited to the account of STICA by the Institute.

The texts in English and Spanish of the new contract are enclosed herewith. They will be signed at the convenience of Your Excellency's Government on behalf of the Institute by Mr. William Brister, Vice-President of the Institute of Inter-American Affairs, a corporate instrumentality of the Government of the United States of America.

It is a source of sincere gratification to my Government to learn that the cooperative program which our two Governments have undertaken in accordance with inter-American agreements to implement the Good Neighbor Policy is making a definite contribution to the national economy of Paraguay and that it will now be continued until June 30, 1948 on the terms provided in the aforementioned contract.

Accept, Excellency, the renewed assurances of my most distinguished consideration.

EDWARD G. TRUEBLOOD

Enclosure:

English and Spanish texts of Extension Agreement between the Government of Paraguay and The Institute of Inter-American Affairs.

His Excellency

Doctor FEDERICO CHAVES,
*Minister of Foreign Relations and Worship,
Asunción.*

EXTENSION AGREEMENT

This Extension Agreement between the Government of Paraguay, represented by Dr. Guillermo Enciso Velloso, Minister of Economía of Paraguay (hereinafter called the "Minister") and The Institute of Inter-American Affairs, a corporate instrumentality of the Government of the United States of America (hereinafter called the "Institute"), represented by W. C. Brister, Vice President of the Institute, is entered into for the purpose of recording an extension and modification of the cooperative agricultural program which was undertaken pursuant to the agreement entered into between the Government of Paraguay and the Institute on December 31, 1942, as modified by the Agreement contained in the exchange of correspondence between the Executive Vice President of the Institute and the Minister of Agriculture of Paraguay dated February 17, 1944 and February 18, 1944, respectively, and as further modified by the agreement contained in the exchange of correspondence between the Vice President of the Institute and the Minister of Agriculture of Paraguay dated February 25, 1946 and February 27, 1946, respectively, (all of such agreements being hereinafter collectively called the "Basic Agreement").

CLAUSE I

The parties hereto mutually intend, agree and declare that the Basic Agreement, be and hereby is extended for an additional period of six months, beginning the first day of January 1948 and ending the thirtieth day of June 1948 and modified according to the clauses hereinafter set forth.

CLAUSE II

The Institute shall continue to be represented in Paraguay by a field party of its officials and technicians known as the "Field Party of the Food Supply Division of the Institute of Inter-American Affairs in Paraguay," and the Field Party shall remain under the direction of the Chief of Field Party. The Chief of Field Party shall also serve as Director of the Servicio Tecnico Inter-Americano de Cooperacion Agricola (hereinafter called "STICA") for the period comprehended by this Extension Agreement.

CLAUSE III

In addition to the funds required to be made available by the parties pursuant to the Basic Agreement, the cooperative agricultural program will be further financed as follows:

A. The Institute shall contribute the sum of not to exceed \$135,000 of which amount \$50,000 shall be deposited to the account of STICA in the following manner:

On or before May 1, 1947	\$20,000
On or before September 1, 1947	15,000
On or before February 1, 1948	15,000
Total	<u>\$50,000</u>

The balance of the \$135,000, that is \$85,000, shall be contributed according to CLAUSE III-D appearing hereinafter.

B. The Government of Paraguay shall deposit to the account of STICA the equivalent in Guaranies of the sum of \$100,000 in the following manner:

On or before May 1, 1947	US\$40,000
On or before September 1, 1947	30,000
On or before February 1, 1948	30,000
Total	<u>US\$100,000</u>

Dollars contributed to STICA by the Institute or the Paraguayan Government shall be converted into Guaranies in conformity with the exchange control law at the most favorable rate available and shall be exempt from all taxes, service charges and other assessments imposed upon the foreign exchanges of private persons.

C. The Institute may withhold from the deposits called for by CLAUSE III-A hereof the estimated amounts deemed necessary by the Minister and the Chief of Field Party to pay for the purchase in the United States of America of materials, supplies and equipment, and other disbursements relating to the execution of the program. Any funds so withheld by the Institute shall be considered as if deposited under the terms of CLAUSE III-A hereof but, if they are not expended or obligated for such purposes, they shall be deposited to the order of STICA at any time upon mutual agreement of the Minister and the Chief of Field Party of the Institute in Paraguay.

D. In addition to the sum to be deposited to the account of STICA under CLAUSE III-A hereof, the Institute will make a separate allocation of funds necessary to pay salaries, living expenses, travel and transportation costs, and other administrative expenses of the members of the Institute Field Party in Paraguay and other Institute employees incurred after execution of this Extension Agreement. The estimated sum of approximately \$85,000 (USC) will be allocated for these purposes separately and apart from the funds to be deposited to the account of STICA by the Institute.

E. Prior to any of the funds referred to in CLAUSES A or B hereof being deposited or otherwise made available to STICA, all of the funds required by the agreement of February, 1946, shall be deposited to the account of STICA by the parties hereto.

F. By written agreement between the Minister and the Chief of Field Party, the schedule for making deposits as provided under CLAUSES III-A and III-B hereof, may be amended as required by the needs of the program.

G. Contributions, in addition to those set out in CLAUSES III-A and III-B hereof, may be received by STICA from any source whatsoever and

expended by it, in the same manner as other funds, for the uses and objectives of the cooperative agricultural program.

H. Any funds and property acquired by STICA which may be unexpended or unused and unobligated at the termination of the period comprehended by this Extension Agreement, will remain the property of the Government of Paraguay and continue to be used for the purposes of the Cooperative Agricultural Program in such manner as may be mutually agreed upon in writing by the Minister and the Chief of Field Party.

I. In the event that it seems advisable to employ additional personnel or technicians, besides those now employed or to be employed by the Institute, the funds of STICA may be used to reimburse or defray the salaries, living expenses, travel and other expenses of such other personnel as the parties may agree are necessary to be employed.

J. Notwithstanding that provision of the Basic Agreement to the contrary any funds deposited or otherwise made available to STICA as required by this Extension Agreement and any balance of funds remaining unexpended from amounts deposited or otherwise made available to STICA as required by the Basic Agreement may be used to finance new projects of STICA mutually agreed upon by the Minister and the Chief of Field Party as well as for the continuation or conclusion of projects which have been agreed upon by the parties hereto.

CLAUSE IV

That provision of the Basic Agreement contemplating the withdrawal from Paraguay of all the North American personnel of the Field Party of the Institute on or before December 31, 1947, is hereby amended to permit such personnel to continue in Paraguay such period of time as the parties may deem necessary for the successful accomplishment of the objectives of the Cooperative Agricultural Program.

CLAUSE V

The Cooperative Agricultural Program shall continue to consist of individual projects. Each project shall be embodied in a project agreement which shall be mutually agreed upon and signed by the Minister, The Director of STICA, and the Chief of Field Party. Each project agreement shall define the kind of work to be done, the allocation of funds therefor, the parties responsible for the execution of the projects and such other matters as the parties to the project agreement shall desire to include.

CLAUSE VI

The procedures and methods established and in use for the operation of STICA under the Basic Agreement, as amended, shall continue to apply to

the operation of STICA during the period comprehended by this Extension Agreement. The Director of STICA and the Minister will prepare budgets outlining the expenditures of the funds to be made in each project agreement for each fiscal year.

CLAUSE VII

The books, records and accounts of STICA shall be open at all times for inspection by representatives of the Government of Paraguay and the Institute. The Director of STICA shall render reports to the Government of Paraguay and to the Institute at such intervals as may be agreed upon between the Chief of Field Party and the Minister.

CLAUSE VIII

STICA shall be exempt and immune from any and all taxes, fees, charges, imposts and custom duties, whether national, provincial, or municipal, and from all requirements for licenses. STICA, shall also enjoy all the rights and privileges which are enjoyed by governmental and official divisions or agencies of the Government of Paraguay. Such rights and privileges shall include, among other things, postal, telephone and telegraph franks and the rights to special rates allowed to the departments of the Government of Paraguay by domestic companies of maritime, railroad and air travel, telephone, telegraph, light, gas and other utilities.

CLAUSE IX

The Government of Paraguay accepts and recognizes the Institute as corporate instrumentality of the Government of the United States of America, and accordingly, among other things, the property and funds of the Institute shall be exempt from all import and export duties, tariffs, excises and taxes. Furthermore, the members of the Field Party of the Institute will enjoy the same privileges as those accorded to the First Secretary of the Embassy of the United States of America in Paraguay, and shall be exempt, among other things, from payment of customs, tariffs, excises and other duties on personal effects, household goods, automobiles, and other articles imported or exported for the personal use of themselves and members of their families.

CLAUSE X

The Chief of Field Party and the Director of STICA are empowered to delegate their authority, prerogative and functions to duly appointed representatives of their own choosing, provided that such representatives are satisfactory to the Minister.

CLAUSE XI

This Extension Agreement shall become effective upon completion of the exchange of appropriate notes concerning the Cooperative Agricultural Program between the diplomatic representatives of the Governments of Paraguay and the United States or upon the date of execution hereof in the event such notes have heretofore been exchanged. The Basic Agreement, as amended, shall remain in full force and effect for the purpose of extending the Cooperative Agricultural Program except as it is modified by or is inconsistent with this Extension Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Extension Agreement to be executed by their duly authorized representatives in quintuple, in the English and Spanish Languages at Asuncion, Paraguay this 7 day of March, 1947.

For the Institute of Inter-American Affairs

W. C. BRISTER

Vice President

For the Government of Paraguay

GUILLERMO ENCISO

Minister of Economia